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Testimony of the Honorable Clifford M. Hardin
Secretary of Agriculture
before the
Select Committee on Nutrition and Human Needs
September 15, 1969

Mr. Chairman, and Members of the Committee:

I am pleased to again appear before this distinguished Committee.

On May 7th Secretary Finch and I met with you and discussed President Nixon's commitment "to put an end to hunger in America itself for all time." We described to you the features of the expanded food stamp program that had been outlined in the President's message to Congress of May 6th.

We explained that the President's revised food stamp program would:

provide poor families enough food stamps to
purchase a nutritionally complete diet,

provide food stamps at no cost to those in
the very lowest income brackets,

provide food stamps to others at a cost no
greater than 30% of income,

give the Secretary of Agriculture the authority
to operate both the Food Stamp and Direct
Distribution Programs concurrently in individual
counties at the request and expense of local officials.

Legislation embodying the President's proposals has been submitted to the Congress and hearings have been held before the Agriculture and Forestry Committee of which many of you are members. A Committee bill incorporating some, but not all of the Administration's proposals is now awaiting action by the full Senate.

Since I appeared before you in May, I have testified before the Agriculture and Forestry Committee and before the House Agriculture Committee in support of the President's proposals.

The President has continued to give his personal support to expanded nutrition programs. On June 11 he named the distinguished nutritionist, Dr. Jean Mayer, to head the White House Conference on Food and Nutrition which will convene in December.

Addressing the Nation's Governors on September 1 in Colorado Springs, the President reiterated his commitment to good nutrition when he pointed out that "...now, for the first time, we propose that every American family shall have the resources, in food stamps, commodities and other assistance, to obtain a minimum nutritious diet, with free food stamps for those with very low incomes."

There can be no question about the high priority that this Administration has assigned to eliminating poverty-caused malnutrition. We are most anxious that the Senate act on the pending food stamp legislation. We trust that the House will do the same.

We regret that certain key features of the President's proposal have been omitted from the Senate Committee bill. In particular we feel that food stamps should be available without cost to those with very low incomes. We are also hoping that the full Senate will restore the authority requested by the President to allow the simultaneous operation of Food Stamp and Direct Distribution Programs where that may be appropriate.

Since Secretary Finch and I last met with you, the President has proposed a far-reaching overhaul of our whole welfare system. The President's family assistance proposals will have a tremendous impact

on the situation of the poor. Assistance will for the first time be available to the working poor, just as food stamps have been available to them in the past and will continue to be available.

You will recall that the President, in his May 6 message to Congress, promised that his food stamp proposals would "ensure that the Food Stamp Program is complementary to a revised welfare program, which I shall propose to Congress this year."

The Administration's Food Stamp and Family Assistance proposals are complementary as the President pledged they would be. Both are designed to provide substantial assistance to the poorest of the poor. Both are available to the working poor. In each program, assistance is reduced on a gradual basis as income rises so that the incentive to work is preserved. Assistance in each program is phased out when income reaches a level somewhat above the current poverty line - \$3920 for a family of four under Family Assistance, \$4000 with Food Stamps. With the two programs operating together we have a chance to begin a comprehensive approach to the income problems of the poor.

Family Assistance in no way detracts from the priority that the President assigns to eliminating malnutrition. In the existing Food Stamp Program we have a vehicle for dealing with poverty caused malnutrition. When the President delivered his message of May 6, he made clear that it was time to go ahead and reshape the Food Stamp Program to make it workable, available and attractive. This is something we can do now and that we should do now. We in the administration are hopeful that Congress will give the same priority to food stamp legislation that we do and act on it now, so that we can go out and meet the needs of hungry people.

By the time that Family Assistance is considered and enacted by the

Congress, we hope to have an expanded Food Stamp Program, fully in operation. We see no reason to further delay this giant step forward.

Secretary Finch will describe the Family Assistance Proposal. Without going into the details of the program, I would like to indicate briefly how the two will operate together.

Under the Administration's food stamp proposals, a family of four prior to the enactment of the Family Assistance Program with no income or welfare payments would be eligible for \$1200 worth of food stamps without charge. As income rises the family would continue to be eligible for a \$1200 food stamp allotment at a cost not in excess of 30% of income. For the purposes of determining food stamp bonus levels, Family Assistance will be considered income, just as present public assistance is treated as income.

When Family Assistance becomes available, the family of four that previously had no income will have \$1600 in cash. That family will still be eligible for the Food Stamp Program. It will be able to obtain its \$1200 Food Stamp allotment by paying not more than 30% or about \$480 of its income. Thus, the total benefits to the family will be at least \$2320. By giving poor families an opportunity to participate in both programs simultaneously we provide them with added income and a chance to allocate a fixed portion of this to food.

The Administration is now making the important proposal that the new food stamp program be administered to permit so called variable purchase of stamps. This will allow a family to buy less than the full amount of

stamps available to it at a proportionately reduced cost. Many families have difficulty now, under the present food stamp program, in scraping together enough cash to purchase their entire monthly allotment of stamps. This is one of the major reasons they fail to participate in the program. In spite of the reduced purchase costs under the President's May 6 proposal, we believe some families would still have difficulty. We propose to ease this by permitting them to allocate a varying amount of cash to the purchase of stamps. This variable purchase proposal will effectively increase the number of families participating in the administration's expanded food and nutrition program.

Family Assistance will create significant savings for the Food Stamp Program. Free food stamps will only be necessary for the one and two person households that qualify for neither family assistance nor revised public assistance that will be available to the elderly, the blind, and the handicapped. Families applying for stamps will have incomes in excess of \$1600.

As we move on down the road with these two programs, . . . as Family Assistance becomes a reality, then I believe there should be consideration given to consolidating their administration. The agency which is charged with certifying eligibility for Family Assistance and for distributing payments should, it seems to me, be able to distribute food stamps to Family Assistance recipients more effectively than any other agency.

We have worked with the Department of Health, Education and Welfare to calculate the potential Food Stamp Program savings that will result from fully implemented Family Assistance. Working with the most recent available data - the results of the 30,000 person Survey of Economic

Opportunity, conducted by the Office of Economic Opportunity - we conclude that both programs can be made available on nationwide basis at \$700 million less cost for the Food Stamp Program than we had previously estimated.

Thus, you see the two programs are, as the President promised in his May 6 message, not only compatible but also complementary. They combine to represent the most far-reaching attack on the problems of the poor that has ever been proposed by any Administration.

We have had seven years of experience with the Food Stamp Program. We would like to build upon that experience, and we have requested changes that will give it greater merit, changes that will make it a more attractive program and one in which more of those in need will participate. We need these changes now! I solicit your assistance and support.

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